



MICHIGAN HEALTH & HOSPITAL ASSOCIATION

Advocating for hospitals and the patients they serve.

TO: Members, Senior Health, Security and Retirement Committee

FROM: Brian Peters, Senior Vice President, Advocacy

DATE: May 1, 2006

SUBJECT: **House Bill 5389 - MHA position to be determined at the Legislative Policy Panel on May 4, 2006**

HB 5389, introduced by Rep. Shaffer, would require Michigan to create and fund a single point of entry (SPE) system for long term care services in each county across the state. If passed, hospitals making or receiving referrals for long term care services, for elderly patients or disabled persons whose care is funded by Medicaid, would be required to use a statewide SPE network.

The MHA understands that the genesis for the bill was the Governor's Long-Term Care Task Force Report. The MHA was not selected to participate as a formal member of the Task Force however; the MHA has participated in workgroups on the bill and appreciates the sponsor's openness to MHA recommendations.

Proponents for the SPE system argue that when it comes to long term options, older adults face a long term care system that is often fragmented and disjointed with many public and private services and disparate financing systems. The MHA agrees that at times, the current situation can cause confusion for older adults and family members and therefore, supported the SPE pilot project effort the Department of Community Health has initiated.

The MHA also recognizes that the Medicaid health services have been cut by more than \$621 million in the last 10 years and a statewide SPE network comes with an estimated cost of \$60 million.

To date, feedback from MHA members on HB 5389 can be best summarized by the following statement. "Given the magnitude of this proposed change in state public policy for long term care services and the potential impact on appropriations for Medicaid, it appears that the legislature is putting the cart before the horse."

The MHA requests that the legislature defend the integrity of the pilot project process by allowing the pilot projects to operate for at least two years and then assure that there is appropriate due diligence as the pilot projects are evaluated. This must occur before the SPE program is considered for statewide implementation. To do otherwise, is asking lawmakers and stakeholders to sign off on operational, regulatory and funding assumptions without the benefit of seeing the pilot project results.

SPENCER JOHNSON, PRESIDENT